



Kevin Murray
California State Senator

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SB 4 (Murray) **California Public Performance Authority**

ISSUE:

California is dearth of large public performance facilities. This lack of quality facilities is a significant barrier in attracting first class concerts, productions and sports contests. The ability to attract such events not only provides jobs and economic growth to local businesses, but brings culture and entertainment the local area.

Local governments no longer have the ability to build such facilities and local voters have expressed their desire that no public money be spent on such facilities.

SOLUTION:

SB 4 would create the California Public Performance Authority which would be authorized to sell naming rights, sponsorships and premium seat licenses and to use those proceeds to help construct the new facilities. Revenues from such sales could reach upwards of \$200 million. Under normal circumstances, those revenues would be taxed at ordinary income tax rates of up to 40%. SB 4 would allow all the money to flow directly to the construction of the facility.

SB 4 would allow California to use its federal tax status to assist in financing such facilities with no financial risk to the state. This is a model that has worked successfully in other jurisdictions. We can facilitate the building of first class facilities in our state with no risk to the State Budget.

SPONSOR:

Senator Kevin Murray.